

REGISTERED NUMBER: 01477762 (England and Wales)

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019
FOR
DESIGN GO LIMITED**

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FOR THE YEAR ENDED 31 MARCH 2019**

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DESIGN GO LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2019

DIRECTORS:

J Rogers
G Rogers
D Lomas

SECRETARY:

G Rogers

REGISTERED OFFICE:

Unit 1
Mill Hill Industrial Estate
Flower Lane
London
NW7 2HU

REGISTERED NUMBER:

01477762 (England and Wales)

AUDITORS:

LBCA Ltd
Statutory Auditor
1 Waterside
Station Road
Harpenden
Hertfordshire
AL5 4US

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2019**

The directors present their strategic report for the year ended 31 March 2019.

REVIEW OF BUSINESS

The principal activities of the company are the design, manufacture and distribution of travel accessories and related products. These products are sold globally with particular emphasis on the duty free and travel retail sectors. The majority of products sold are protected by intellectual property rights owned by the group.

Review of business

The company aims to present a balanced and comprehensive review of the development and performance of its business during the year and its position at the year end. The company considers its key financial performance indicators are those that communicate the financial performance and strength of the company as a whole, these being turnover, gross profit and operating profit.

	2019	2018
Turnover	29,649,859	32,671,058
Gross Profit	8,833,559	9,832,339
Operating Profit	847,442	850,994

The directors are satisfied with the 2019 results and continue to focus on maintaining and improving profitability for 2020 and beyond.

The company makes a significant investment in new product design and development in order to ensure the continued growth and success of the Go Travel brand. The supply chain is constantly reviewed with particular emphasis on fulfilment, quality and price. Further improvements will be made to the supply chain during 2020 so as to ensure the company remains competitive.

The global market for travel goods and accessories remains strong. Go Travel is an established and highly respected brand with a loyal customer base. The company plans to continue its global expansion through organic growth and strategic alliances with other leading brands in the sector.

Employees

Health and safety

The company has a comprehensive Health and Safety policy, including internal policy manuals and guidance for all employees.

Training and development

The company runs in-house induction and training programmes for new employees.

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2019**

PRINCIPAL RISKS AND UNCERTAINTIES

Principal risks and uncertainties

The principal risks facing the company are broadly categories as competitive and financial risks.

Competitive risks

The company operates in competitive markets in the UK and worldwide. The company aims to mitigate these risks through a culture of constant innovation and improvement. Particular importance is given to the design, manufacture and launch of innovative new products. The company also exhibits its products annually at a number of international trade shows which cater principally for the duty free and travel retail sectors. These shows include the International Travel Goods Show in the USA, the TFWA Shows in France and Singapore and the Messe Offenbach Fair in Germany.

Financial risks

Credit risk

Credit risk is the risk of financial loss to the company if a customer fails to meets is contractual obligations and arises principally from its trade debtors.

There is no material concentration of credit risk with any single customer. The company has a credit policy under which new customers are assessed for creditworthiness before credit terms are offered. Larger customers are monitored on a daily basis and accounts are placed on supply hold when appropriate. Sales are made on a proforma basis in circumstances where there is any doubt about the creditworthiness of a customer.

Foreign exchange risk

The company is exposed to currency risk on purchases and trade debtors that are denominated in a currency other than sterling.

The majority of the purchases made by the company are denominated in US Dollars. The company is therefore subject to exchange risk from the movement in the GBP/USD exchange rate. A significant proportion of the sales of the company are denominated in US Dollars and the company therefore benefits from a natural hedge against movements in the GBP/USD exchange rate. Where appropriate the company also mitigates foreign exchange risk through the use of financial instruments such as forward exchange contracts.

Brexit risk

Following the UK's decision to leave the EU in 2016, the directors have considered the possible adverse impact that decision may have on the company in the longer term. In particular the directors have considered the impact that a 'hard Brexit' may have on the company.

The principal operational risk of a 'hard Brexit' are the potentially severe delays at the borders when transporting goods between the UK and the EU. In order to mitigate this risk and protect the continuity of supply to customers based within the EU, during 2017 and 2018 European distribution was steadily migrated away from the UK into the EU. By 31 March 2019 all key EU customers were being serviced from within the EU, ensuring continuity of supply within the EU in the event of a 'hard Brexit'.

ON BEHALF OF THE BOARD:

G Rogers - Director

17 December 2019

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2019**

The directors present their report with the financial statements of the company for the year ended 31 March 2019.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the sale of travel goods.

DIVIDENDS

No interim dividend was paid during the year. The directors recommend a final dividend of 28.05 per share.

The total distribution of dividends for the year ended 31 March 2019 will be £ 280,483 .

FUTURE DEVELOPMENTS

The directors are satisfied with the 2019 results and continue to focus on maintaining and improving profitability for 2020 and beyond.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2018 to the date of this report.

J Rogers
G Rogers
D Lomas

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, LBCA Ltd, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

G Rogers - Director

17 December 2019

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF DESIGN GO LIMITED

Opinion

We have audited the financial statements of Design Go Limited (the 'company') for the year ended 31 March 2019 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF DESIGN GO LIMITED

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page four, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Elizabeth Hart (Senior Statutory Auditor)
for and on behalf of LBCA Ltd
Statutory Auditor
1 Waterside
Station Road
Harpenden
Hertfordshire
AL5 4US

18 December 2019

**INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2019**

	Notes	2019 £	£	2018 £	£
TURNOVER	4		29,649,859		32,671,058
Cost of sales			<u>20,816,300</u>		<u>22,838,719</u>
GROSS PROFIT			8,833,559		9,832,339
Distribution costs		1,071,023		956,283	
Administrative expenses		<u>6,915,094</u>		<u>8,025,062</u>	
			7,986,117		8,981,345
OPERATING PROFIT	6		<u>847,442</u>		<u>850,994</u>
Interest receivable and similar income			<u>4,333</u>		<u>9,026</u>
PROFIT BEFORE TAXATION			851,775		860,020
Tax on profit	7		<u>151,179</u>		<u>150,214</u>
PROFIT FOR THE FINANCIAL YEAR			<u><u>700,596</u></u>		<u><u>709,806</u></u>

The notes form part of these financial statements

**OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2019**

	Notes	2019 £	2018 £
PROFIT FOR THE YEAR		700,596	709,806
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>700,596</u>	<u>709,806</u>

BALANCE SHEET
31 MARCH 2019

	Notes	2019 £	£	2018 £	£
FIXED ASSETS					
Intangible assets	9		1,067,972		1,023,828
Tangible assets	10		<u>1,215,770</u>		<u>1,163,578</u>
			2,283,742		2,187,406
CURRENT ASSETS					
Stocks	11	7,204,898		7,870,339	
Debtors	12	13,689,220		12,139,866	
Cash at bank and in hand		<u>2,118,549</u>		<u>3,256,353</u>	
		23,012,667		23,266,558	
CREDITORS					
Amounts falling due within one year	13	<u>15,885,224</u>		<u>16,468,715</u>	
NET CURRENT ASSETS			<u>7,127,443</u>		<u>6,797,843</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			9,411,185		8,985,249
PROVISIONS FOR LIABILITIES	17		<u>40,072</u>		<u>34,249</u>
NET ASSETS			<u>9,371,113</u>		<u>8,951,000</u>
CAPITAL AND RESERVES					
Called up share capital	18		10,000		10,000
Retained earnings	19		<u>9,361,113</u>		<u>8,941,000</u>
SHAREHOLDERS' FUNDS			<u>9,371,113</u>		<u>8,951,000</u>

The financial statements were approved by the Board of Directors on 17 December 2019 and were signed on its behalf by:

G Rogers - Director

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2019**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 April 2017	10,000	8,584,196	8,594,196
Changes in equity			
Dividends	-	(353,002)	(353,002)
Total comprehensive income	-	709,806	709,806
Balance at 31 March 2018	<u>10,000</u>	<u>8,941,000</u>	<u>8,951,000</u>
Changes in equity			
Dividends	-	(280,483)	(280,483)
Total comprehensive income	-	700,596	700,596
Balance at 31 March 2019	<u>10,000</u>	<u>9,361,113</u>	<u>9,371,113</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

1. STATUTORY INFORMATION

Design Go Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006.

3. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared under the historical cost convention.

Financial Reporting Standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirement of Section 33 Related Party Disclosures paragraph 33.7.

The company is a qualifying subsidiary. The parent company is DG International Holdings Limited, consolidated accounts can be obtained from the company's registered office.

Significant judgements and estimates

The company is required to make various judgements, assumptions and estimates on the reported income statement and balance sheet data. For example, depreciation timing, and impairment. The carrying value of tangible and intangible assets are calculated on the basis of estimates of depreciation and amortisation periods derived from the expected useful life of the asset concerned, and residual values. The expected useful life of the assets and their estimated residual value may change, which may give rise to the need to recognise an impairment on assets.

Where there are indicators of impairment of individual assets, the company performs impairment tests. If the recoverable amount of the asset is estimated to be less than its carrying amount it reduces its recoverable amount. The difference between the carrying amount and the recoverable amount is recognised as an impairment loss in profit or loss.

Income

Income is recognised when goods have been delivered to customers such that risks and rewards of ownership have transferred to them.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairments losses.

Intangible fixed assets shown under the heading Patents & Licences are being amortised on a straight line basis over a period of 10 years.

Intangible fixed assets shown under the heading Computer Software are being amortised on a straight line basis over a period of 3 years.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2019

3. ACCOUNTING POLICIES - continued

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Long leasehold	- 33% on cost
Plant and machinery	- at variable rates on reducing balance
Fixtures and fittings	- 20% on reducing balance
Motor vehicles	- 25% on reducing balance
Computer equipment	- 33% on cost

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Stocks

Stocks are stated at the lower of cost, using the first in first out method, and selling price less costs to complete and sell, after making due allowance for obsolete and slow moving items.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Foreign currencies

Transactions in foreign currencies are recognised at the average rate. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rate prevailing at that date. Exchange differences are recognised in profit or loss in the period in which they arise.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Financial instruments

Basic financial instruments are recognised at amortised cost, with changes recognised in profit or loss. Derivative financial instruments are initially recorded at cost and thereafter at fair value with changes recognised in profit or loss.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument and derecognised when, in the case of assets, the contractual rights to cash flows from the assets expire or substantially all the risks and rewards of ownership are transferred to another party and in the case of liabilities, when the company's obligations are discharged, expire or are cancelled.

Employee benefits

Employee benefits are recognised as an expense in the period in which they are incurred.

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2019

4. **TURNOVER**

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below:

	2019 £	2018 £
UK	11,859,557	11,080,344
Europe	10,805,121	11,011,300
USA	2,706,394	6,165,404
Asia	1,760,984	1,865,058
Australia	1,811,148	1,740,024
Africa	706,655	808,928
	<u>29,649,859</u>	<u>32,671,058</u>

The company's turnover represents the value, excluding value added tax, of goods supplied to customers during the year.

5. **EMPLOYEES AND DIRECTORS**

	2019 £	2018 £
Wages and salaries	3,266,386	3,381,950
Social security costs	331,400	341,084
Other pension costs	117,542	116,037
	<u>3,715,328</u>	<u>3,839,071</u>

The average number of employees during the year was as follows:

	2019	2018
Office and management	29	29
Sales and production	53	61
	<u>82</u>	<u>90</u>

	2019 £	2018 £
Directors' remuneration	317,661	342,145
Directors' pension contributions to money purchase schemes	<u>19,438</u>	<u>17,257</u>

The number of directors to whom retirement benefits were accruing was as follows:

	2019	2018
Money purchase schemes	<u>2</u>	<u>2</u>

Information regarding the highest paid director is as follows:

	2019 £	2018 £
Emoluments etc	184,933	212,293
Pension contributions to money purchase schemes	<u>6,381</u>	<u>6,193</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2019

6. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2019	2018
	£	£
Depreciation - owned assets	387,244	342,650
Loss on disposal of fixed assets	1,750	-
Patents and licences amortisation	190,917	167,381
Computer software amortisation	100,130	82,926
Auditors' remuneration	16,875	13,722
Foreign exchange differences	(321,322)	836,743
Rental lease	<u>117,250</u>	<u>-</u>

The company rents two properties from D G Capital Limited, a member of the same group, for an annual rent of £295,000 (2018: £295,000).

Included within foreign exchange differences are amounts relating to changes in fair value of financial derivatives £274,284 (2018: £140,179).

7. TAXATION**Analysis of the tax charge**

The tax charge on the profit for the year was as follows:

	2019	2018
	£	£
Current tax:		
UK corporation tax	<u>145,356</u>	<u>142,871</u>
Deferred tax:		
Deferred tax timing difference	10,538	11,372
Deferred tax rate difference	<u>(4,715)</u>	<u>(4,029)</u>
Total deferred tax	<u>5,823</u>	<u>7,343</u>
Tax on profit	<u>151,179</u>	<u>150,214</u>

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2019	2018
	£	£
Profit before tax	<u>851,775</u>	<u>860,020</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%)	161,837	163,404
Effects of:		
Expenses not deductible for tax purposes	15,501	15,767
Capital allowances in excess of depreciation	-	(10,711)
Utilisation of tax losses	(25,672)	(25,589)
Deferred tax timing difference	-	11,372
Deferred tax rate difference	-	(4,029)
Other differences	<u>(487)</u>	<u>-</u>
Total tax charge	<u>151,179</u>	<u>150,214</u>

Following Budget 2015, the government announced legislation setting the Corporation Tax main rate at 19% for the years starting the 1 April 2017, 2018 and 2019 and at 18% for the year starting 1 April 2020. Following Budget 2016, the government announced a further reduction to the Corporation Tax main rate for the year starting 1 April 2020, setting the rate at 17%.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2019

8. DIVIDENDS

	2019 £	2018 £
Ordinary shares of £1 each		
Final	<u>280,483</u>	<u>353,002</u>

9. INTANGIBLE FIXED ASSETS

	Patents and licences £	Computer software £	Totals £
COST			
At 1 April 2018	1,673,816	418,959	2,092,775
Additions	<u>235,361</u>	<u>99,830</u>	<u>335,191</u>
At 31 March 2019	<u>1,909,177</u>	<u>518,789</u>	<u>2,427,966</u>
AMORTISATION			
At 1 April 2018	745,757	323,190	1,068,947
Amortisation for year	<u>190,917</u>	<u>100,130</u>	<u>291,047</u>
At 31 March 2019	<u>936,674</u>	<u>423,320</u>	<u>1,359,994</u>
NET BOOK VALUE			
At 31 March 2019	<u>972,503</u>	<u>95,469</u>	<u>1,067,972</u>
At 31 March 2018	<u>928,059</u>	<u>95,769</u>	<u>1,023,828</u>

Amortisation of intangible fixed assets is included in administrative expenses.

10. TANGIBLE FIXED ASSETS

	Long leasehold £	Plant and machinery £	Fixtures and fittings £
COST			
At 1 April 2018	13,264	3,583,890	560,059
Additions	<u>13,535</u>	<u>302,370</u>	<u>74,868</u>
At 31 March 2019	<u>26,799</u>	<u>3,886,260</u>	<u>634,927</u>
DEPRECIATION			
At 1 April 2018	13,264	2,698,656	395,374
Charge for year	<u>4,512</u>	<u>254,478</u>	<u>47,911</u>
Eliminated on disposal	-	-	-
At 31 March 2019	<u>17,776</u>	<u>2,953,134</u>	<u>443,285</u>
NET BOOK VALUE			
At 31 March 2019	<u>9,023</u>	<u>933,126</u>	<u>191,642</u>
At 31 March 2018	<u>-</u>	<u>885,234</u>	<u>164,685</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2019

10. TANGIBLE FIXED ASSETS - continued

	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1 April 2018	62,933	775,607	4,995,753
Additions	-	56,112	446,885
Disposals	(23,345)	-	(23,345)
At 31 March 2019	<u>39,588</u>	<u>831,719</u>	<u>5,419,293</u>
DEPRECIATION			
At 1 April 2018	35,205	689,676	3,832,175
Charge for year	5,070	75,273	387,244
Eliminated on disposal	(15,896)	-	(15,896)
At 31 March 2019	<u>24,379</u>	<u>764,949</u>	<u>4,203,523</u>
NET BOOK VALUE			
At 31 March 2019	<u>15,209</u>	<u>66,770</u>	<u>1,215,770</u>
At 31 March 2018	<u>27,728</u>	<u>85,931</u>	<u>1,163,578</u>

11. STOCKS

	2019 £	2018 £
Stocks	<u>7,204,898</u>	<u>7,870,339</u>

Stock recognised in cost of sales during the year as an expense was £20,150,859 (2018: £24,747,585).

12. DEBTORS

	2019 £	2018 £
Amounts falling due within one year:		
Trade debtors	8,444,515	8,878,173
Other debtors	106,113	20,155
Related company - fellow sub	34,679	36,654
Related company - fellow sub	172,124	74,913
Related company - fellow sub	4,332,359	2,640,840
Corporation tax	114,847	35,203
Prepayments and accrued income	459,839	428,607
	<u>13,664,476</u>	<u>12,114,545</u>
Amounts falling due after more than one year:		
Other debtors	<u>24,744</u>	<u>25,321</u>
Aggregate amounts	<u>13,689,220</u>	<u>12,139,866</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2019

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£	£
Trade creditors	2,032,662	2,036,983
Social security and other taxes	80,371	86,083
VAT	183,719	203,547
Other creditors	14,271	235,014
Related company- parent	10,542,426	10,707,794
Related company - fellow sub	1,135,006	990,127
Related company - fellow sub	1,374,909	1,695,547
Related company - fellow sub	347,795	262,392
Accrued expenses	174,065	251,228
	<u>15,885,224</u>	<u>16,468,715</u>

14. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2019	2018
	£	£
Within one year	117,250	117,250
Between one and five years	<u>83,052</u>	<u>200,302</u>
	<u>200,302</u>	<u>317,552</u>

In addition, the company rents two properties from D G Capital Limited, a member of the same group, for an annual rent of £295,000 (2018: £295,000).

15. SECURED DEBTS

The company acts as a security party for the bank on behalf of D G Capital Ltd, a company held within the same group. The bank loan of £375,000 (2018: £562,500) is in the name of D G Capital Ltd with a term 10 years from 31 March 2011. The bank loan is interest only, at a rate of LIBOR with a 1% margin.

The bank loan is guaranteed by a legal charge dated 31 March 2011 over the building at Mill Hill Industrial Estate and the warehouse in Hemel Hempstead, which are included within the groups accounts headed by DG International Holdings Ltd.

With regard to this loan the bank hold an Unlimited Guarantee from Design Go Ltd.

The bank facilities are secured by a cross guarantee & debenture between Design Go Limited, D G International Holdings Limited, D G Capital Limited, Go International Ltd, TPC International Limited & Wedgewood Properties Limited.

The bank hold a deferment bond to H M Customs & Excise of £92,500 and a derivatives facility of £1,500,000.

16. FINANCIAL INSTRUMENTS**Foreign exchange risk**

The group is exposed to currency risk on purchases and trade debtors that are denominated in a currency other than sterling. The majority of the purchases made by the group are denominated in US Dollars. The group is therefore subject to exchange risk from the movement in the GBP/USD exchange rate. A significant proportion of the sales of the group are denominated in US Dollars and the group therefore benefits from a natural hedge against movements in the GBP/USD exchange rate. Where appropriate the group also mitigates foreign exchange risk through the use of financial instruments such as forward exchange contracts.

Financial assets and liabilities measured at fair value:

Forward currency forward contracts have been fair valued using forward exchange rates with gains or losses being reported in profit or loss. Within other debtors year ended 31 March 2019 is a balance of £54,377 (2018: other creditors £219,907) relating to forward currency contracts.

Financial assets measured at amortised cost £15,178,706 (2018: £14,931,690)

Financial assets measured at fair value cost £54,377 (2018: £NIL)

Financial liabilities measured at amortised cost £15,621,132 (2018: £15,959,178)

Financial liabilities measured at fair value cost £NIL (2018: £219,907)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2019

17. PROVISIONS FOR LIABILITIES

	2019 £	2018 £
Deferred tax	<u>40,072</u>	<u>34,249</u>
		Deferred tax
		£
Balance at 1 April 2018		34,249
Differences between capital allowances and depreciation		5,823
Balance at 31 March 2019		<u>40,072</u>

The amount of the net reversal of deferred tax expected to occur next year is £21,784 (2018: £17,053) relating to the reversal of existing timing differences on tangible fixed assets.

The balance brought forward, together with the movement for the year, relates to the differences between capital allowances and depreciation.

18. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2019	2018
Number:	Class:	Nominal value:	£	£
10,000	Ordinary	£1	<u>10,000</u>	<u>10,000</u>

Each share has equal voting and distribution rights.

19. RESERVES

	Retained earnings £
At 1 April 2018	8,941,000
Profit for the year	700,596
Dividends	<u>(280,483)</u>
At 31 March 2019	<u>9,361,113</u>

Called up share capital - represents the nominal value of shares that have been issued.

Profit and loss account - includes all current and prior period retained profits and losses.

20. PENSION COMMITMENTS

Pension contributions are made under a defined contribution scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension costs charge represents contributions payable by the company and amounted to £117,542 (2018: £116,037). Contributions totalling £14,271 (2018: £15,107) were payable at the year end and are included within creditors.

21. ULTIMATE PARENT COMPANY

The ultimate parent company is DG International Holdings Limited a company incorporated in England & Wales, in which the results of the company are consolidated. The consolidated accounts can be obtained from the company's registered office.

22. OTHER FINANCIAL COMMITMENTS

The company entered into several forward exchange contracts, during the year totalling \$4.2 million (2018: €2 million) which have a deal date after the year end.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2019**

23. RELATED PARTY DISCLOSURES

All directors and certain senior employees who have authority and responsibility for planning, directing and controlling the activities of the group are considered to be key management personnel. Total remuneration in respect of these individuals is £317,661 (2018: £342,325).

Within creditors is an amount of £27,000 (2018: £27,000) owed to a fellow subsidiary, not wholly owned.

24. ULTIMATE CONTROLLING PARTY

By virtue of a controlling interest in DG International Holdings Ltd, Mr J Rogers is the ultimate controlling party.

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